

**Senate Bill No. 1124**

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Passed the Senate August 26, 2014

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*Secretary of the Senate*

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Passed the Assembly August 25, 2014

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*Chief Clerk of the Assembly*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2014, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to amend Section 14009.5 of the Welfare and Institutions Code, relating to Medi-Cal.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1124, Hernandez. Medi-Cal: estate recovery.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income persons receive health care benefits. The Medi-Cal program is, in part, governed and funded by federal Medicaid provisions.

Existing law, with certain exceptions, requires the department to claim against the estate of a decedent, or against any recipient of the property of that decedent by distribution or survival, an amount equal to the payments for Medi-Cal services received or the value of the property received by any recipient from the decedent by distribution or survival, whichever is less. Existing law provides for certain exemptions that restrict the department from filing a claim against a decedent's property, including when there is a surviving spouse during his or her lifetime. Existing law requires the department, however, to make a claim upon the death of the surviving spouse, as prescribed. Existing law, which has been held invalid by existing case law, provides that the exemptions shall only apply to the proportionate share of the decedent's state or property that passes to those recipients, by survival or distribution, who qualify for the exemptions.

This bill would instead provide that the department shall make these claims only in specified circumstances and would define health care services for these purposes. The bill would delete the proportionate share provision and would delete the requirement that the department make a claim upon the death of the surviving spouse. The bill would also require the department to provide a current or former beneficiary, or his or her authorized representative, upon request and free of charge, with the total amount of Medi-Cal expenses that have been paid on his or her behalf that would be recoverable under these provisions, as specified.

*The people of the State of California do enact as follows:*

SECTION 1. Section 14009.5 of the Welfare and Institutions Code is amended to read:

14009.5. (a) Notwithstanding any other provision of this chapter, the department shall claim against the estate of the decedent, or against any recipient of the property of that decedent by distribution or survival an amount equal to the payments for the health care services received or the value of the property received by any recipient from the decedent by distribution or survival, whichever is less, only in either of the following circumstances:

(1) Notwithstanding paragraph (2), against the real property of a decedent who was an inpatient in a nursing facility in accordance with Section 1396p(b)(1)(A) of Title 42 of the United States Code.

(2) (A) The decedent was 55 years of age or older when the individual received health care services.

(B) The department shall not claim under this paragraph when there is any of the following:

(i) A surviving spouse.

(ii) A surviving child who is under 21 years of age.

(iii) A surviving child who is blind or permanently and totally disabled, within the meaning of Section 1614 of the federal Social Security Act (42 U.S.C. Sec. 1382c).

(b) (1) The department shall waive its claim, in whole or in part, if it determines that enforcement of the claim would result in substantial hardship to other dependents, heirs, or survivors of the individual against whose estate the claim exists.

(2) The department shall notify individuals of the waiver provision and the opportunity for a hearing to establish that a waiver should be granted.

(c) (1) The department shall provide a current or former beneficiary, or his or her authorized representative designated under Section 14014.5, upon request and free of charge, with the total amount of Medi-Cal expenses that have been paid on behalf of that beneficiary that would be recoverable under this section.

(2) The department shall permit a beneficiary to request the information described in paragraph (1) via the Internet, by telephone, by mail, in person, or through other commonly available electronic means.

(3) The department shall conspicuously post on its Internet Web site, a description of the methods by which a request under this subdivision may be made, including, but not limited to, the department's telephone number and any addresses that may be used for this purpose. The department shall also include this information in its pamphlet for the Medi-Cal Estate Recovery Program and any other notices the department distributes to beneficiaries regarding estate recovery.

(d) The following definitions shall govern the construction of this section:

(1) "Decedent" means a beneficiary who has received health care under this chapter or Chapter 8 (commencing with Section 14200) and who has died leaving property to others either through distribution or survival.

(2) "Dependents" includes, but is not limited to, immediate family or blood relatives of the decedent.

(3) "Health care services" means only those services required to be recovered under Section 1396p(b)(1)(B)(i) of Title 42 of the United States Code.

(e) The amendments made to this section by the act that added this subdivision apply only to individuals who die on or after January 1, 2015.







Approved \_\_\_\_\_, 2014

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*Governor*